



**LAWYERS' COMMITTEE FOR
CIVIL RIGHTS
UNDER LAW**

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January 24, 2005

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Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G St. NW
Washington DC 20552

Attention: No. 2004-53 & 2004-54

To Whom It May Concern:

The Lawyers' Committee for Civil Rights Under Law ("the Lawyers' Committee") is a nonpartisan, nonprofit organization, formed in 1963 at the request of President John F. Kennedy to involve the private bar in providing legal services to address racial discrimination. The Lawyers' Committee is committed to ending the historic marginalization of minority communities by, among other things, promoting community economic development and improving access to capital for minorities. Unfortunately, minorities often receive far less access to credit than their white counterparts, and receive loans only on far less favorable terms than similarly-situated whites. Promoting fair lending opportunities for minorities requires that both regulators and the public hold lending institutions accountable for continuing discriminatory patterns and practices. In light of this, the Lawyers' Committee is very concerned about the continued strength of the Community Reinvestment Act ("CRA"), a crucial tool in establishing such accountability. While the CRA has played an instrumental role in increasing lending and investment opportunities for communities of color around the country, we believe the Office of Thrift Supervision's ("OTS") proposed changes to the CRA will diminish the provision of such vital services to these communities.

Specifically, the OTS proposal will result in considerably less community development financing and basic banking services in low- and moderate-income communities, which are disproportionately minority. It would allow thrift institutions to design their own variations of the Community Reinvestment Act (CRA) exams. The thrifts could eliminate the investment and service parts of the CRA exam, meaning that the OTS would not require them to make investments in or provide branches to low- and moderate-income communities. At the same time, this proposal would allow thrifts to finance community development of affluent communities, not lower income neighborhoods, in rural areas and areas afflicted by natural disasters. This is contrary to the purpose of the CRA to combat redlining of low- and moderate-income communities. Additionally, the OTS proposes to reduce opportunities for community groups and

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citizens to meet and provide their perspectives to the agency on CRA and anti-predatory lending issues when thrifts are merging.

The legacy of disinvestment and discriminatory practices by government and private entities is a painful reality for people of color in the United States. The CRA must continue to preserve and further the investment made to undeserved communities, not exacerbate the disparities. We urge you to please withdraw your proposal.

Sincerely,

Jonathan P. Hooks
Lawyers' Committee for Civil Rights Under Law
Housing and Community Development Project

cc.: National Community Reinvestment Coalition